

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



**CORRECTED
FISCAL NOTE**

HB 2520 - SB 2623

February 9, 2010

SUMMARY OF BILL: Authorizes the Department of Health to reimburse residential homes for the aged in Campbell and Union Counties as part of the current reimbursement program.

ESTIMATED FISCAL IMPACT:

On February 2, 2010, we issued a fiscal note indicating a *not significant increase in state expenditures*. Based on further review and additional information received by the Department of Health, the estimated fiscal impact of the bill is as follows:

Increase State Expenditures – \$9,100

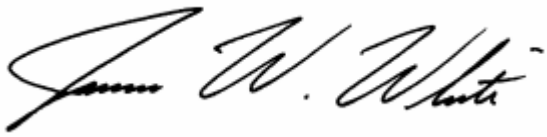
Assumptions:

- Currently, the Department of Health reimburses certain residential homes for the aged \$25 per day per resident whose only income is Social Security Income (SSI) benefits of not more than \$800 per month.
- According to the Department, there is not currently a residential home for the aged in Campbell County and one home in Union County licensed for five beds.
- The Department was appropriated \$1,815,900 for FY09-10 to provide reimbursements for 199 residents. Currently, there are 169 eligible residents out of 988 licensed beds included in the program for which the Department is reimbursing the residential homes for the aged. Approximately 17 percent (169 / 988) of the licensed beds receive reimbursement.
- It is estimated that at least one of the five licensed beds in Union County will be eligible to receive reimbursement resulting in an increase in expenditures of \$9,125 (\$25 x 365 days)
- The Department estimates that any additional reimbursements can be handled within current funding levels of \$1,815,900 but would lead to a reduced reversion in FY10-11. The Department has included \$272,385 of unused funds in its FY09-10 reversion. Reimbursing for an additional bed will result in the Department's reversion being reduced to \$263,260 (\$272,385 - \$9,125) in FY10-11.

- If the number of residents for which the Department must reimburse the residential homes for the aged increases to greater than 199, the Department will have to reimburse for fewer individuals, reduce other programs to fund the reimbursement, or seek an increased appropriation.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

/kml